

EXPANDING MINIMUM WAGE GUARANTEES HAS REDUCED RACIAL INCOME INEQUALITY

Minimum wage requirements first passed into law after the Great Depression excluded some industries. These exclusions increased racial income inequality because black workers were concentrated at the bottom of the earnings distribution in these industries. Minimum wage laws were expanded in the mid-1960s, resulting in a reduction of this wage gap. Inequalities remain (particularly in service industries dominated by women). The federal minimum wage has remained unchanged since 2009.



Ellora Derenoncourt, PhD

Assistant Professor of Economics, Princeton University

Dr. Derenoncourt works on labor economics, economic history, and the study of inequality. She believes that life influences research, and that economics naturally lends itself to the study of social relationships and power dynamics between different agents and groups in society. Her research helps provide policy makers with reliable evidence on particular policies, such as the sensitivity of the number of jobs to workers' wage gains after minimum wage increases. Learn more: *"Wealth of two nations: The U.S. racial wealth gap, 1860-2020"*. 2024. NBER. [nber.org/papers/w30101](https://www.nber.org/papers/w30101).



Andria Smythe, PhD

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Professor Smythe studies poverty, human capital and labor market outcomes, and race and economic inequality. The idea of a living wage has been around for centuries. The initial motivations for this idea were rooted in justice. Minimum wage has stagnated due to the perception that it is an inefficient tool. However, there is strong evidence of positive effects of minimum wages on income of low-wage workers, especially Black workers. Learn more: *"The Minimum Wage as a Tool for Racial Economic Justice"*. 2023. JEL. doi.org/10.1257/jel.20221709.



Jesse Wursten, PhD

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Dr. Wursten asks, in a nutshell, why are we so rich and they so poor? While money isn't everything, few things impact our lives as much as our income and our job conditions. His research tries to figure out how to help the poorest of our society with minimal loss to everyone else and without jeopardising their own future. We find that higher minimum wages in the US have almost only positive effects, even creating virtuous cycles. Learn more: *"Parental Labor Supply: Evidence from Minimum Wage Changes"*. 2021. JHR.



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